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STATE FOR NEA, NEA/IPA, NEA/PPD

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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

[1](#)1. Mideast

[1](#)2. Iran

Key stories in the media:

The media reported that yesterday PM Netanyahu told a group of more than 20 members of the Yesha Council of Jewish Settlements in the Territories that he is not their enemy, but that he will not revoke

the building freeze. Netanyahu stressed that the law must be respected and cabinet decisions must be carried out." Media quoted Netanyahu as saying: "There is one thing that is out of the question," he said. "You are allowed to demonstrate and protest, but you cannot show disrespect for a decision that was made lawfully. The solution is dialogue. We need to work together during this period and cooperate." The PM added: "The decision made by the cabinet is the best for Israel under the complicated diplomatic circumstances Israel is in and in view of the multifaceted challenges facing us. We made a difficult decision in order to advance the broader interests of Israel. This move makes it clear to key players around the world that Israel is serious in its intentions to achieve peace, while the Palestinians refuse to enter negotiations for peace. There is a side that wants to [talk] and another that does not. This move has made clear [which side] is refusing peace." Trying to appease the settlers, Netanyahu asked for their patience and promised to resume construction after the 10-month hiatus was over. He also promised that the implementation of the order banning construction would "be carried out in the least intrusive way possible for the public and where there are unnecessary difficulties, we shall make them go away." The PM also blamed the Palestinian Authority for not responding to Israel's decision to freeze settlement construction and for refusing to return to the negotiating table. Netanyahu called PA President Mahmoud Abbas "someone who refuses peace."

Major media reported that right-wing activists are planning to block major traffic arteries throughout the country next week as part of an escalating protest of the government decision to freeze settlement construction in the West Bank for 10 months. The Jerusalem Post reported that settlers are gearing up for a mass protest rally outside the PM's official residence in Jerusalem. HaQaretz reported that IDF officers in the West Bank have expressed concern that settlers may escalate their acts of opposition to the freeze on settlement construction by targeting the Palestinian population.

Yediot led with a report by its correspondent Gad Lior, who spent 48 hours in Dubai. Lior brings an eyewitness account of the financial collapse there.

HaQaretz reported that the U.S. fell short in its efforts to gain a declaration of international support for Israel's temporary settlement construction freeze. The Americans were hoping that its partners in the Quartet would agree to such a declaration, but Moscow expressed a series of reservations and foiled Washington's effort. HaQaretz reported that a senior U.S. administration official told the newspaper that without a consensus among the members of the Quartet, it would be impossible to issue a statement for the whole group. The Arabic-language Assennara quoted Marc Otte, E.U. special representative for the Middle East peace process, as saying that the basis of any solution is the 1967 borders and that Jerusalem must be the capital for both countries.

HaQaretz and Israel Radio quoted Arab newspapers as saying that Hamas has rejected Israel's latest deal offer for the release of Gilad Shalit. Several media quoted the Kuwaiti newspaper Al-Jarida as saying that Shalit was secretly moved to Egypt. The Jerusalem Post cited a denial of the story by Osama Hamdan, Hamas representative in Lebanon. HaQaretz reported that high-ranking political and defense officials in Jerusalem have decided that the Shalit deal will not bring about a change to Israel's siege policy in Gaza and its ban of personnel and goods movements between the West Bank and Gaza.

HaQaretz reported that the U.S. and several Arab states are pressing Palestinian Authority President Mahmoud Abbas to remain in office until new PA elections are called, in order to prevent a power vacuum that could result in the West Bank falling to Hamas. HaQaretz noted that if a deal for Shalit in fact goes through, it would include the release of many Hamas legislators -- enough to restore Hamas' parliamentary majority and enable it to dictate the rules of the next election, which would presumably be designed to facilitate its chances of winning. HaQaretz reported that an Israeli security official predicted yesterday that Abbas "would not abandon the field to Hamas," but added that the possibility of his resigning could not be ruled out.

Leading media reported that yesterday Jordan summoned Israeli Ambassador Danny Nevo to demand a halt to "unilateral" work carried out by Israel on the outer walls of Jerusalem's Church of the Holy Sepulcher.

The media reported that yesterday White House Press Secretary Robert Gibbs warned Iran that it has less than a month to respond to the compromise offer by world powers. The Jerusalem Post reported that a senior Israeli diplomatic official told the newspaper yesterday that Israeli officials believe the international community is "starting to come to the understanding that Iran has been lying to everybody" about its nuclear intentions. The statement followed news of a U.N. agency completing a nuclear test detection station in Turkmenistan, just a few kilometers from the Iranian border. "Luckily, Iran itself is decimating the efforts of even its most vociferous defenders to help it avoid international criticism," the Israeli official was further quoted as saying.

Senior U.S. diplomat Zalmay Khalilzad was quoted as saying in an interview with Yediot that Israel must contribute to the sapping of Islamist radicals and reach a just, reasonable agreement with the Palestinians.

HaQarets reported that Jewish conservatives in the U.S. are fighting against appointments of Qanti-IsraelisQ to the U.S. administration.

Media reported that Hollywood QheavyweightsQ Steven Spielberg and Phil Rosenthal will film a medical drama series at JerusalemQs Shaare Zedek Hospital. The show is slated to run on the Sundance Channel in the U.S. in 2011.

The Jerusalem Post reported that a poll taken by Independent Media Review Analysis on December 1-2 found that an overwhelming majority of Israelis believe that Israel's policy of redeeming captives should only be toughened after Shalit's release. Of the respondents who expressed an opinion, 55% were in favor of setting the new policies only after the Shalit deal. Just 23% said the criteria should be changed before the deal and 22% said the guidelines should not be changed at all. The poll also found that a huge majority of Israelis believe that PM Netanyahu decided to freeze settlement construction in Judea and Samaria due to pressure from President Obama, but that the freeze would only increase international pressure for further concessions. Asked whether Netanyahu decided on the freeze because he thought it would advance the peace process with the Palestinians or to satisfy Obama, 77% of respondents who expressed an opinion agreed with the latter and just 23% with the former statements. More than two-thirds of respondents said Netanyahu broke campaign promises with the freeze, that he violated his principle of reciprocity, and that he had to bring the freeze to a vote in the Knesset.

11. Mideast:

Block Quotes:

1I. QThe Likud-West Bank Partnership

The conservative, independent Jerusalem Post editorialized (12/4): QThat Netanyahu assented to the moratorium even at settlements where Israel expects to ultimately expand sovereignty can only reflect the intensity of the pressure he is facing -- not only from Washington, but from most of the international community, emphatically including self-perceived strong supporters of Israel in Western Europe. The dismay in the Qnational campQ is understandable. A moratorium, even with all its caveats and the promise of a resumption of building 10 months from now, is not what it anticipated from a Likud prime minister. And yet, his hawkish critics may want to reflect , Netanyahu, acting today with the support of ministers like Bennie Begin and Moshe Ya'alon, determined to preserve as much of the settlement enterprise as he can and wary about the prospects of peacemaking, is the best defender of the settlers' interests they are likely to see in the Prime Minister's Office.

II. QThe Battle of Wills

Editor-in-Chief David Horowitz wrote in the Jerusalem Post (12/4): Q[Many defenders of the ultimately moderate Israel] have stressed that successive Israeli peace offers have explicitly involved the dismantling of the overwhelming proportion of settlements and that the disengagement from Gaza and a small part of Samaria [i.e. the northern West Bank] in 2005 demonstrated Israel's capacity to carry out such traumatic reverses -- a capacity that, were the day to come, could be replicated, albeit still more wrenchingly, in parts, even most, of Judea and Samaria [i.e. the West Bank]. As of this week, those assertions are being put to the test.... For now, it's a freeze, not a demolition program, that has been ordered. But by consenting to a freeze even at those settlements whose continued existence is supported by the Israeli mainstream, Netanyahu has empowered a wider swathe of domestic opposition than may have been necessary. And because the Prime Minister is so plainly being squeezed between the angry Israeli Right and the frustrated international community and is so plainly susceptible to that pressure -- the battle of wills over Judea and Samaria is already being joined in earnest.

III. QNetanyahu's Way Out

Diplomatic correspondent Aluf Benn wrote in the independent, left-leaning Ha'aretz (12/4): QWashington ... is making do with Qconstructive ambiguity.Q Secretary of State Hillary Clinton declared last week that the goal should be an independent Palestinian state Qbased on the 1967 lines and agreed swaps.Q This, she added, would grant Israel Qsecure and recognized borders that reflect subsequent developments and meet Israeli security requirements.Q Translation: she is saying nothing and is not putting forward an approach. The problem with the plans for a final-status settlement is that it's difficult to obtain an agreement on issues relating to each side's national identity and even more difficult to implement such agreements. Here are three reasons: the Fatah-Hamas split, Israel's right-wing government, and Obama's weakness.... The settlers are waging the battle against the freeze in part to deter the Government against thoughts of another evacuation. They apparently understand that Abbas' rejection is drawing Netanyahu closer to a decision on an interim move in the West Bank.

IV. QThe End of the Diplomatic Process

Editor-in-Chief Amnon Lord wrote in the nationalist, Orthodox Makor Rishon-Hatzofe (12/4): QIn the interim freeze period, Israel has a chance of presenting its principles anew regarding an agreement with the Palestinians. The Prime Minister would be well-advised to present at the Knesset a series of principles that the legislative body will approve. Since Israel is not part of a Qdiplomatic processQ but of a vital battle currently being fought in the diplomatic arena, it must determine that it has well-known territorial interests in Judea, Samaria [i.e. the West Bank], and the Jordan Valley, which it will neither concede nor negotiate on. This is the farthest one can go without unilateral annexation.... At the same time, it would be good for Israel to tell the Americans that it is displeased by the spying and surveillance carried out by U.S. agents and officials in greater Jerusalem -- in violation of Israeli sovereignty.

1V. QA Bus Blows Up in Damascus : Exploding Tire or Terror Strike ?

Jonathan Spyer, a senior researcher at the Interdisciplinary Center, wrote on page one of The Jerusalem Post (12/4): QThe Syrian authorities are currently trying to attribute the blast Thursday on a bus carrying Iranian pilgrims near the Saida Zeinab mosque in Damascus to an exploding tire.... The tire story, on the face of it, looks like a somewhat ludicrous attempt by the Syrian authorities to explain away an alarming episode for the regime. If what took place in the Saida Zeinab quarter was in fact a bombing rather than an exploding tire, then it may be assumed that the perpetrators were intending to deliver a series of calculated insults. First, and perhaps most importantly, such an act would constitute an attack on the Islamic Republic of Iran. The explosion took place as Saeed Jalili, Iran's chief nuclear negotiator, was visiting Damascus. The targeted bus contained Iranian citizens, at least one of whom is reported dead.... Second, such a bombing would be a slap in the face

for the Assad regime. Syria has been emerging smartly from international isolation in recent years. Its practice of fomenting trouble for its neighbors -- Israel, Iraq and Lebanon -- and then offering to help solve the problems it is largely responsible for creating, has been paying dividends. But a security-state such as BaQathist Syria holds power because of its ability to inspire quiet at home.... Syria's relations with Sunni Islamists are complex. Damascus has offered support and safe passage to Sunni jihadis on their way to fight in Iraq. Yet the regime itself -- non-Sunni, aligned with Shi'a Iran, and with a record of brutal suppression of the Muslim Brotherhood -- is also a natural target of opposition for devout Sunni Islamists. The world of extreme Sunni Islamism is notoriously murky and riven, with many groups operated and/or supplied by governments for their own aims. It can only be a matter for speculation and theorizing (of which there will be much) as to who might have had an interest in striking a blow at Iran, its religion, and its allies in the heart of a regional capital. But the latest events in Damascus offer further potent proof to Iran and Syria that support for terrorism is a two-way street.

[12](#). Iran:

Block Quotes:

QChurchill Is Ill

In a tongue-in-cheek article, former Editor-in-Chief Amnon Dankner Qspeaks from within Churchill-admiring NetanyahuQs headQ in the popular, pluralist Maariv (12/4): QFor a moment I had a terrible thought: can Ahmadinejad be Churchill compared to me? Can he be determined and self-confident and aware of what he wants, while I am wavering?.... One day IQll wake up having missed [the danger signs from Iran]. Because I was Chur and I was Chill, but I never was the whole thing. In the final analysis I was just Bibi.

MORENO